



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
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January 23, 2004

Crockett County Mayor and  
Board of County Commissioners  
Crockett County, Tennessee

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Crockett County, we have performed a limited review of the information systems in the Offices of County Mayor, Road Supervisor, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, and Register as of January 13, 2004. This letter transmits the results of our review.

Our audit of Crockett County is required to be conducted in accordance with standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards specify that we perform general and application control reviews of computer-based accounting and information systems to determine whether an entity's existing procedures and controls provide adequate assurance of data accuracy and financial and operating statement reliability.

Because of inherent limitations in any internal control structure, errors, irregularities, or control weaknesses may exist and may not be detected. However, our information system reviews performed in the Offices of County Mayor, Road Supervisor, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, and Register did not reveal any matters that we considered to be a reportable condition. A reportable condition was identified in the Office of Director of Schools. This reportable condition may be included in the comprehensive annual financial report of Crockett County. This matter is also presented in detail in the enclosed Review of Internal Controls Regarding Information System Operations — Findings and Recommendations.

A brief summary of the reportable condition is presented below:

**DIRECTOR OF SCHOOLS**

1. The office had deficiencies involving its warrant-signing machine.

Crockett County Mayor and  
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Please contact Penny Austin, our Information Systems Audit Manager, or me if you have any questions regarding our review of the information systems in the aforementioned offices of Crockett County, Tennessee.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard V. Norment". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard V. Norment  
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Billy Vernon, Road Supervisor  
The Honorable Stan Black, Director of Schools  
The Honorable Gary Spraggins, Trustee  
The Honorable Ernest Bushart, County Clerk  
The Honorable Kim Kail, Circuit and General Sessions Courts Clerk  
The Honorable Alan Castellaw, Register  
Mr. Larry Taylor, West Tennessee Audit Manager

**CROCKETT COUNTY, TENNESSEE**  
**REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM**  
**OPERATIONS - FINDINGS AND RECOMMENDATIONS**  
**AS OF JANUARY 13, 2004**

The review of controls over the information system in the Office of Director of Schools indicated a need for improvement. The following finding and recommendation have been made to aid this office in the implementation of controls to better secure its computer system and the information contained therein. We reviewed this matter with management to provide an opportunity for their response. The written response from the director of schools is paraphrased in this report.

**OFFICE OF DIRECTOR OF SCHOOLS**

**THE OFFICE HAD DEFICIENCIES INVOLVING ITS WARRANT-SIGNING MACHINE**

**1. FINDING**

The Board of Education used a mechanical warrant-signing machine to affix the signatures of the director of schools and chairman of the Board of Education. Various department employees were allowed to use the machine, but the office did not maintain a log to document the warrants issued, the warrant numbers processed, and the employee operating the machine. Also, the mechanical counter on the machine could be reset and did not have a counter to indicate the total number of checks processed. School officials had not obtained the approval of the comptroller of the treasury and the commissioner of education to use a mechanical signature device, as required by Section 49-2-113, Tennessee Code Annotated. This approval requires that a school system maintain adequate internal controls over the use of a mechanical signature device.

**RECOMMENDATION**

The school system should obtain the approval of the comptroller of the treasury and the commissioner of education for the use of a mechanical signature device, as required by state statute. Adequate internal controls should be maintained over the use of the mechanical signature device, such as maintaining a manual log that indicates the warrants issued, the warrant numbers on the series of warrants processed, and the employee operating the machine. In addition, the machine should have a counter that cannot be reset indicating the total number of warrants processed.

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**PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED**

(Ref: Review of Internal Controls Regarding Information System Operations as of  
January 15, 2002)

**OFFICE OF TRUSTEE**

| <b>Finding<br/>Number</b> | <b>Page<br/>Number</b> | <b>Subject</b> |
|---------------------------|------------------------|----------------|
|---------------------------|------------------------|----------------|

|   |   |  |
|---|---|--|
| 1 | 1 | The Office Did Not Have Formal Policies and Procedures for Computer Operations |
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**OFFICE OF COUNTY CLERK**

| <b>Finding<br/>Number</b> | <b>Page<br/>Number</b> | <b>Subject</b>  |
|---------------------------|------------------------|---|
| 1                         | 1                      | A Disaster Recovery Plan Should Be Developed                              |
| 2                         | 2                      | The Office Should Develop Policies and Procedures for Computer Operations |

**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

| <b>Finding<br/>Number</b> | <b>Page<br/>Number</b> | <b>Subject</b>                                      |
|---------------------------|------------------------|---|
| 1                         | 2                      | The Office Did Not Develop a Disaster Recovery Plan |